

## WARREN COUNTY BOARD OF SUPERVISORS

### COMMITTEE: OCCUPANCY TAX COORDINATION

**DATE:** FEBRUARY 4, 2011

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**COMMITTEE MEMBERS PRESENT:**

SUPERVISORS KENNY  
BENTLEY  
CHAMPAGNE  
GOODSPEED  
CONOVER

**COMMITTEE MEMBERS ABSENT:**

SUPERVISORS MERLINO  
MCCOY

**OTHERS PRESENT:**

FRANK O'KEEFE, COUNTY TREASURER  
LEISA GRANT, PRINCIPAL ACCOUNT CLERK  
DANIEL G. STEC, CHAIRMAN OF THE BOARD  
PAUL DUSEK, COUNTY ATTORNEY/ADMINISTRATOR  
JOAN SADY, CLERK OF THE BOARD  
KEVIN GERAGHTY, BUDGET OFFICER  
SUPERVISORS BELDEN  
MCDEVITT  
STRAINER  
TAYLOR  
WOOD  
CAMERON TESSIER, WARREN COUNTY RESIDENT  
SKIP STRANAHAN, WE THE PEOPLE FOUNDATION  
THOM RANDALL, ADIRONDACK JOURNAL  
AMANDA ALLEN, SR. LEGISLATIVE OFFICE SPECIALIST

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Mr. Kenny called the meeting of the Occupancy Tax Coordination Committee to order at 9:30 a.m.

Motion was made by Mr. Bentley, seconded by Mr. Champagne and carried unanimously to approve the minutes from the prior Committee meeting, subject to correction by the Clerk of the Board.

Copies of the meeting agenda were distributed to the Committee members, a copy of which is also on file with the minutes.

Commencing with Agenda Item II, privilege of the floor was extended to Frank O'Keefe, County Treasurer, to provide a report on occupancy tax revenues. Mr. O'Keefe distributed copies of the Warren County Occupancy Tax Revenues & Expenditure Report for the period ending December 31, 2010, which he proceeded to review for the Committee's benefit. *A copy of the Report is on file with the minutes.* During his review, Mr. O'Keefe announced that \$3,237,184 in occupancy tax revenues had been received in 2010 which was \$289,864, or 9.83% higher, than the amount collected for the previous year. He noted that the fourth quarter would not conclude until the end of February; therefore, he added, 2010 occupancy tax revenues would continue to be collected through the submission deadline of March 20, 2011. Referring to the portion of the Report reflecting a three-year comparison of revenues received by each Town, Mr. O'Keefe pointed out that every Town had shown an increase in occupancy tax collections over the 2009 reported figures, which was favorable. He concluded that the Report also provided complete figures for the past three years and advised that his staff was able to provide similar historical information dating back to 2004 if any Committee members were interested in making additional revenue receipt comparisons for prior years.

A brief discussion ensued relative to Mr. O'Keefe's report.

Continuing to Agenda Item III, Review of Special Event Funding Scoring Criteria, Mr. Kenny advised that in February of each year the Committee met to review the prior years scoring and award process in order to determine whether it could be performed in a more efficient manner. He said a record number of applications for special event

funding had been received which had required the Committee members to perform an independent review and scoring, followed by which a five hour meeting had been held to determine the final award amounts; he added that he felt there might be ways in which the review procedures could be streamlined to shorten the award process and he asked the Committee members to consider the matter and present any ideas they might have for improvements.

Mr. Kenny said that although Mr. Merlino had been unable to attend the meeting, he had asked that notation be made as to his opinion that the Towns of Warren County should not be permitted to submit applications for special event funding based on the fact that a certain percentage of the entire fund was distributed to the Towns before occupancy tax awards were determined. He noted that in the case of the City of Glens Falls, all of the occupancy tax funding initially distributed was used to cover the costs of their Tourism Coordinator's salary, leaving no monies available for special event funding. Therefore, Mr. Kenny stated, the City submitted applications for additional funding for upcoming special events. He pointed out that the additional funding requests were primarily submitted by the City of Glens Falls and the Village of Lake George; he added that although he agreed with Mr. Merlino's ideas in some cases, he did not believe it should be instituted as a blanket policy.

Mr. Champagne said he could sympathize with both sides of the argument as he could understand the City of Glens Falls' desire for additional funding, but noted conversely that the Town of Queensbury had never applied for any special event funding, using only that amount initially distributed to them. Chairman Stec recalled that when the Occupancy Tax Fund was initially proposed in 2003, the initial 25% distribution of collections to the Towns was included as a political necessity to gain full Board approval of the initiative. Although he said he was not willing to voluntarily forgo the Town of Queensbury's share of the initial funding if the current practices were retained, Chairman Stec stated he would not have been objective if it had been determined that the full fund amount would remain with the County to be distributed at their discretion.

Mr. Taylor opined the point of occupancy tax distributions was to attract tourism to Warren County and he did not feel they should remove the Towns from this process as it allowed them to be an active partner in the distribution procedure. He said it might be possible to introduce a special performance oriented criteria that would allow additional funding for larger events brought to the area, as these efforts should not go unnoticed.

Mr. Geraghty noted that for towns with little other industry opportunities, such as the Town of Warrenburg, the occupancy tax funding distributions were very important. He noted that regardless of the importance to the towns in which they were held, many of these smaller events might not be granted funding if required to compete for funding on the County level. Mr. Geraghty advised that this funding was very important to the smaller towns for bringing tourism to their communities and although he would also like to apply for additional occupancy tax funding, he was somewhat in agreement with Mr. Merlino's feeling that additional funding should not be provided over and above the initial amounts distributed.

Mr. Conover suggested that the Committee be given more time to consider the matter before making any decisions and Mr. Kenny responded in agreement, noting that there was plenty of time to reconsider the issue.

Continuing, Mr. Kenny noted that the procedure used to determine 2011 special event funding amounts had required each Committee member to perform an independent review of the applications received in order to score them and assign a funding amount to each. Following this process, he said, a lengthy Committee meeting had been held during which each member offered their funding suggestion and subsequently an average figure was used to determine the final award amounts. Mr. Kenny stated that his only suggestion for a change to this procedure would be to disqualify both the highest and lowest recommendation amounts to achieve a true average figure.

Mr. Conover responded that he would be hesitant to agree with this suggestion because disregarding the highest or lowest numbers would force the person submitting those amounts to vote in favor of the next closest funding figure. For instance, he said, in the case of the Americade event, he had suggested the highest possible funding amount of \$50,000 and if this figure was thrown out, he would be forced to vote in approval of the closest funding figure which could be significantly lower. Mr. Conover concluded that he was very concerned about the ways in which this change could affect the voting procedure. Mr. Kenny advised that this issue did not occur with the majority of the applications reviewed, but recalled there was one in particular that had.

Following this brief conversation, it appeared that the majority of the Committee was in favor of retaining the current procedure of determining the average funding amount based on all of the suggested figures provided.

Chairman Stec advised that one alteration to the current funding determination procedure would be to request that the Information Technology Department develop a template program which would allow the Committee to instantly determine accurate average figures simply by entering the suggested funding amounts. In response, Mr. Kenny advised that Leisa Grant, Principal Account Clerk, had already addressed this issue and such capabilities would be in place for use in making the 2012 funding determinations.

Mr. Conover suggested that a new weighting procedure be added to the application in order to ensure that realistic funding requests were received. He added that upon submission, the applications could be reviewed by members of the Tourism Department staff to verify the funding amounts based on the weighting procedure, thereby allowing the Committee members to quickly evaluate the applications with the assurance that they had already been reviewed for accuracy. Mr. Kenny noted that the scoring procedure was not initially shared with funding applications because they were afraid the submissions would be crafted to achieve the highest funding amounts possible; however, he added, since the scoring procedure had subsequently been made public, this was no longer an issue. He stated that in many cases, the information provided by applicants regarding the number of room nights expected for special events was somewhat vague and he felt that the application should include requirements for actual figures, rather than informal estimates. Mr. Conover added his opinion that there should also be space for the applicant to explain how the numbers reflected in the application were achieved, as this would encourage them to produce the most accurate figures.

As the Committee was in agreement with these suggestions, Mr. Kenny announced that they would begin alterations to the funding applications which would be presented to the Committee for further review at a future meeting.

Mr. Champagne noted that Committee members did not typically interject their knowledge of certain events during the presentations made by those organizations seeking funding and he felt this process should be changed somewhat to allow Committee input as there were some events on which they might have extensive knowledge. As an example, he cited the funding request submitted by The Dome (Adirondack Sports Complex), which he felt did not receive an appropriate amount of funding, based on what he felt was a lack of information regarding the economic impact of the events held there. Mr. Champagne stated that he attended the annual Summer and Winter Youth Softball tournaments held at the facility where he spoke with other attendees and saw first hand the level of economic impact it brought to the area through hotel/motel accommodations, as well as to the food service industry. He said that adding his personal experiences and knowledge of the event to the presentation may have had an impact on the way in which the Committee determined the amount of funding to be awarded.

In the case of recurring events, Chairman Stec suggested that increased pressure be put on the applicant to provide accurate attendance figures which could then be used in comparison with future applications to determine funding amounts. He cited his only criticism of the current procedure was that in his opinion, the strength of The Dome's

funding application was not considered, leading them to receive a lower funding amount than they should have. Chairman Stec said that although the application seemed to be for an insignificant event, the Summer and Winter Youth Softball Tournaments drew a considerable number of people to the area. He concluded with his opinion that an objective look at the application in comparison to the others received would make it apparent that more funding should have been awarded.

Mr. Goodspeed questioned whether it would be possible to require event organizers to report back to the Committee within 30 days of their event with attendance figures to which Mr. Kenny responded that information on the zip code in which attendees traveled from was retained and in most cases was able to reflect whether or not the event was successful in generating overnight accommodations. Mr. Goodspeed then asked if comparisons had ever been made with other Municipalities that administered similar programs to determine whether they used a Committee format to determine funding awards and Mr. Kenny replied that he was unsure whether other Municipalities participated in the same manner, but said they must have some type of procedure in place. Mr. Goodspeed apprised that the Town of Johnsbury implemented a slight variation on the procedures used by the County in that the Town Board had adopted a formula used for scoring purposes and incorporated a citizens group comprised of members of the business community, not-for-profit organizations and other volunteers who met throughout the year to evaluate the proposals submitted and subsequently develop funding recommendations which were then presented to the Town Board for their review and approval. He said this process provided a certain level of empowerment to the citizens in terms of how the occupancy tax funding contributed to the Town of Johnsbury was spent. Mr. Goodspeed added that the Town Board very rarely deviated from the suggestions made by the citizens group.

Mr. Kenny noted there were recurring events that received small amounts of funding annually and he questioned whether they should continue this process in consideration of their cumulative impact or use that money to seek out other "super" events which would be considered on the same scale as Americade. Mr. Goodspeed responded that he personally struggled with this point each year when reviewing applications because although the larger Americade-type events were very important to the County, the smaller events were just as important to the communities in which they were held. Mr. Kenny advised that this point had been taken into consideration when developing the special event funding application and had included a line asking for the economic impact to the community in which it was being held. Mr. Conover interjected that they needed to continue to be sympathetic to the smaller communities and the events held therein; he added that another point of difficulty in considering funding applications was the comparison of profit and not-for-profit requests. However, he noted, the end process was to consider the amount of tourism and economic impact projected.

Mr. Kenny announced a list had been started of applicants seeking additional funding in addition to what had been awarded, including the Adirondack Balloon Festival, Firemen's Convention, Adirondack Nationals Car Show and the Boys Basketball Tournament held at the Glens Falls Civic Center. He said that as of yet, no funding had been returned and noted that, unfortunately, some of the events might have already occurred before there was funding available.

Mr. Champagne suggested that the Committee consider instituting a base range for new events in the scoring system to properly reflect their importance to the area. For example, he noted, the Centurion Cycling event which was new to the area for 2010, should not be subject to the standard base scoring figure, as smaller events were not anticipated to bring the same level of economic impact on the area. Mr. Kenny explained that each new event was given a base score of eight points, to which additional points were added based on the application process; he further explained that a total of at least 15 points was necessary to gain special event funding. Mr. Champagne reiterated his opinion that larger events anticipated to bring considerable financial benefits to the County should be given a higher base

score in order to achieve appropriate funding levels and he suggested instituting a sliding scale for scoring that could vary from eight to as much as twenty points, based on the magnitude of the event. Mr. Kenny responded this was a reasonable recommendation which the Committee should consider further.

A discussion ensued, following which Mr. Kenny advised that the Committee would meet again in a few months to further consider Mr. Champagne's suggestion and to review the proposed changes to the special event funding application.

Mr. Conover pointed out that some consideration should be given to safeguarding the application process to prevent commercial entities, such as golf courses and resorts, from applying for funding based on the fact that they were attracting groups to the area for conventions and other such events. He added that although such requests had not been made in the past, it appeared that the application process did not preclude them from being submitted. Mr. Goodspeed questioned whether it was the County's intention to assist commercial entities in furthering their income base and Mr. Conover replied these were the types of issues that could arise when mixing funding applications received from both profit and not-for-profit entities. Mr. Kenny interjected that although this was an issue the Committee had continually struggled with, the end result was that regardless of whether the event was being organized by profit or not-for-profit groups, if it was a large event that would positively affect the County's economy, decisions were typically made in favor of providing funds to bring the event to the area.

Mr. Bentley stated that another issue to be addressed was the number of applications submitted by a single entity and he suggested that an application limit of one to two submissions be instituted.

Mr. Champagne pointed out that the Warren County Historical Society was granted special event funding for 2011, but noted in the past they had received funding in the County budget. Joan Sady, Clerk of the Board, clarified that the Historical Society did receive an annual stipend from the County which was included in the Budget and noted that this was to support the educational programs offered. She added that the special event funding approved was in support of the County's Bicentennial event being organized by the Historical Society.

Discussion ensued.

As there was no further business to be discussed, on motion made by Mr. Goodspeed and seconded by Mr. Conover, Mr. Kenny adjourned the meeting at 10:24 a.m.

Respectfully submitted,  
Amanda Allen, Sr. Legislative Office Specialist